

Format for Quarterly and Final Completion Reports for COMPETE Grants

Name of Organization:	Ten Senses Africa Ltd.
Mailing Address:	PO Box 54498 0200 City Square Nairobi
Physical Location:	Kabansora Rd. off Airport N. Rd Nairobi
Phone:	0722 210 848
Fax:	0 20 2724183
Email:	dwaruiru@ncck.org allan.bussard@tensenses.com
Organization's Contact Person:	Allan Bussard, Dora Waruiru
P F Tracking Number:	TSA-STA-010-017
Title of Activity:	Scaling Up Kenyan Fair Trade Macadamia Exports
Start Date of Reporting Period:	April 1 2011
End Date of Report:	June 31, 2011
Date Report Submitted:	20 July, 2011

Narrative reports must contain, as a minimum, the following:

- A comparison of actual accomplishments with the goals and objectives established for the period. Particular achievements and obstacles to the success of the project should be reported in specific terms.

	Goal	Achieved to date
1	Relocate and improve plant equipment to achieve full food grade processing capacity as verified by the Kenyan Bureau of Standards.	Two driers already constructed and running. A total of 44,043 Kgs have been dried during this quarter.
2	Increase plant capacity to allow processing of 100 tons/season (two seasons)	The expected funds from verde ventures to upgrade the current status is still in waiting.
3	Purchase 200 tons of macadamia from Meru and Taita growers associations, at a value of 6 million Ksh (Fair trade minimum price of 30 Ksh/kg).	44T of macadamia nuts (NIS) were purchased during this period from Embu/Meru/Taita. 3,696,313 ksh paid to farmers during this period
4	Provide 1 million Ksh in social premiums for investment in community projects to the Meru/Chogoria and Taita grower associations (social premium of 5 Ksh/kg)	A total of Ksh163, 470 was paid to Wamatta as social premium for 32,694 kgs purchased last year.

5	Provide 1 million Ksh in fees to the associations for the collection and storage of macadamia on behalf of TSA.	A total of Ksh 60,490 has been paid to Wamatta for the collection and storage of 12,098 kgs of nuts. We also paid 198,990 ksh to Meru/ Embu for storage and collection of 39,798kgs.
6.	Achieve Fair Trade certification (FLO advanced, introductory already obtained) and organic certification for macadamia for the two farmer's associations	The Mt Kenya region trainings for Flo is on going. Four groups have been given the preliminary awareness training. Two more groups have been scheduled for training in the next quarter. We have hired a local coordinator to mobilize and coordinate farmers groups.
7	Provide technical assistance to the growers in Meru and Taita that will result in a decrease in rejection rate and an increased yield of (to 25% of finished product as volume of nuts purchased)	Ten Senses has contracted with Farm to Fork Ltd. to provide technical assistance to farmer groups. This consulting is ongoing.
8	Provide technical assistance to the grower associations in Meru and Taita that will result in increased ability to manage their association for the benefit of the members.	Currently awareness training is on going among various clusters in the Mt Kenya region. This is being undertaken by Farm To Fork limited.
9	Export 50 MT of processed nuts, of which at least 30 tons to the US market. This represents a sales goal of \$240 000 or 17 million Ksh (40 000 kg @ \$6/kg)	We have exported a total of 5988kgs to American nuts amounting to \$ 46108.
10	Extend the partnership agreement to one additional grower's group, with at least 500 members	Currently we are training four farmers group in Kirinyaga and we plan for them to be audited in December this year.
11	Create stable employment for at least 35 staff in the Nairobi factory	We hired two more technical persons in the area of Electrical and Food Science.
12	Create a social enterprise which will model corporate social responsibility in Kenya. The TSA board is committed to provide financial and in-kind support to an orphanage in the Kawangware slum in Nairobi.	We have been aiding Tapa Trust, a children's home, with shells for their cooking fuel. The Swiss exchange student has assisted the company with establishing a food quality system which will lead to a certification called FSSC 22000. We are working on its implementation.

- An evaluation or analysis of the degree to which the grant activities are achieving the project objectives. Reasons why established goals were not met if appropriate.

We have built a new drier to replace the one that got damaged last quarter. It is currently functioning well and we are making the necessary adjustments to optimise the operation. In April a second drying chamber will be built.

- Other pertinent information including, when appropriate, analysis and explanation of cost overruns or high unit costs.

At this point the main cost overruns the Organic Audit (overspend of \$690) and Bank Charges (overspend of \$371). Most significant is the former, as the auditor needed to add more than expected time to complete the audit. As noted, this audit will likely need to be repeated again next year and other financial sources will need to be located to complete this. We are in discussion with Verde Ventures and SlovakAid, who have both indicated a willingness to consider supporting the revision of the organic audit in 2011.

Regarding factory equipment, we are increasing our drying capacity from the initial 9.5 tons per batch to 20 tons by end of April 2011.

- A minimum of five copies of any publication funded under the grant, including books, brochures, newsletters, bulletins, video cassettes; and single copies of all other products such as newspaper clippings, project announcements, and audited financial statements.

Not applicable for this reporting period